



US Army Corps
of Engineers

PRIP 101

Revolving Fund and the Plant Replacement and Improvement Program (PRIP) ER 37-1-29

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Revolving Fund

- Legal Authority - 33 USC 576

Corps of Engineers Civil Works Revolving Fund is

“...available without fiscal year limitation, for expenses necessary for the maintenance and operation of the plant and equipment of the Corps of Engineers used in Civil Works functions...and the furnishing of facilities and services for military functions of the Department of the Army and other Government agencies and private persons, as authorized by law.”

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Revolving Fund and Plant Replacement and Improvement Program (PRIP)

- **Revolving Fund (RF)**

- Acquire, operate, maintain and repair civil works lands, structures and other plant.
- Purchase, operate and maintain aircraft, as authorized.
- Temporarily finance services that are chargeable to appropriations for civil works functions (e.g., payroll)
- Furnish facilities and services for military functions of the Department of the Army, other Government agencies, and private persons, as authorized by law.

- **Plant Replacement Improvement Program (PRIP)**

- Established within the RF for the acquisition of RF-owned property.

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PRIP Investments

- Criteria

- Useful life of 2 or more years
- Acquisition cost of \$250,000 or more
- Supports more than one civil works project or appropriation
- Incidental support may be provided to military programs.

- Asset Classification

- Minor Items
 - Assets costing less than \$5,000,000
 - Congressional Notification Not Required
- Major Items
 - Assets costing \$5,000,000 or more
 - Congressional Notification Required

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PRIP Repayments

- **Repayment of the Revolving Fund PRIP investment is in the form of depreciation and plant increment charges.**
 - **Depreciation** is the allocation of the acquisition cost of an asset over its assigned useful life to the benefiting projects. Only straight-line depreciation is permitted.
 - **Plant Increment** is the surcharge to cover the increased cost of replacement over the original cost to the asset. Its purpose is to maintain the purchasing power of the Revolving Fund Corpus.
- **PRIP funds used in support of Military projects must be reimbursed for the entire military share within the FY of the acquisition.**
- **Depreciation and Plant Increment charges are the only constant source of funds available to finance Revolving Fund, PRIP requirements.**



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Why Use PRIP?

- It provides the Corps with a means of purchasing capital assets and replacing plant to be used by multiple projects and Corps offices.
 - Acquisition costs are shared by projects or appropriations.
- Simplifies funding and accounting procedures.
- Supports Full Cost Pricing. That is, all projects using PRIP-owned equipment are charged when they use the equipment.
- Self financing: Repayments are used to fund new requirements.
 - The need for appropriated dollars to support PRIP investments occurs only in rare instances.

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- Plant and services are available without delay to meet project requirements



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Typical PRIP Acquisitions

- **Buildings, and other Structures and Facilities**
 - Warehouse, Machine shops, Harbor & Port Facilities, Laboratories, etc.
- **Aircraft**
- **Dredges and Other Floating Plant**
 - Survey boats, Tow boats, Floating Cranes, Barges, etc.
- **Mobile Land Plant**
 - Trucks, Fork Lifts, Bulldozer, Tractor Dozer, Cranes, etc.
- **Fixed Land Plant**
 - Communication Equipment, Global Positioning System, etc.
- **Tools, Office Furniture and Equipment**
 - Survey and Drafting equipment, Systems Furniture, etc.
- **Information Technology Software and Hardware**
 - Local Area Network, Water Control Data System, Computer Aided Design and Drafting etc.
- **Leasehold Improvements to Leased Facilities**

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How PRIP Decisions Are Made

- Corporate Overview
 - Director of Civil Works, in collaboration with the Headquarters Prioritization Group, establishes priorities for the Corps Senior Program and Budget Advisory Committee (SPBAC).
- Guidance
 - ER37-1-29 Implements Strict Guidelines on PRIP use.
- Affordability of Investments
 - An income analysis determines the availability of resources to fund current and future capital asset requirements, and is used to establish investment ceilings.
- Program Development
 - A five-year capital investment plan that is compatible with Corps missions and present and future workloads will be prepared annually.
 - The five-year plan is the basis for planning and development of the yearly PRIP budget submission for the Civil Works Presidents Budget request to Congress.
 - The budget submission should be prepared in accordance with the Corps of Engineers Civil Works Direct Program, Program Development Guidance.

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PRIP Budget Requirements

- **Requirements must satisfy PRIP investment questions:**
 - Does the investment have a valid purpose?
 - Does it meet the requirements of a project or program?
 - Is the investment affordable and economically sound?
 - Does it fully support the Corps Civil Works Program?
- **Requirements** are reviewed, prioritized, and approved at all levels (district, division, HQ) and presented to the Headquarters Prioritization Group for final recommendation to the SPBAC for approval.
- **Congressional approval is required for the following:**
 - New PRIP items costing \$5,000,000 or more (major item).
 - Major Items with cost increases that exceed the authorized amount by 20% or greater must be submitted through the Assistant Secretary of Army (Civil Works) to OMB and then Congress for approval.
 - Once the 20% has been exceeded, all other increases require Congressional approval as well.
 - Out-of-Cycle requests for major items that were not included in the annual budget request.

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Required Forms for PRIP Budget Submission

	4613	4943
Major Items New Start (>\$5,000K)	YES	YES
Minor Items (>\$250K<\$5,000K)	NA	YES
Update Continuing Major Items	YES	NA
Update Continuing Minor Items	YES	NA

see ER 37-1-29 (Appendix E & F) for additional information on
how to fill out ENG 4613/4943

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HQ PRIP POC's

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